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File
FIDELITY INSURANCE COMPANY OF CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 1966

Clarkson, Gordon & Co.
Chartered Accountants



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Chartered Accountants

15 Wellington Street West, Toronto 1, Canada

Halifax Saint John Quebec Montreal Ottawa
Toronto Hamilton Kitchener London Windsor
Winnipeg Regina Calgary Edmonton Vancouver

Arthur Young, Clarkson, Gordon & Co.,
United States—Brazil

Telephone 368-2751 (Area Code 416)

April 28, 1967

To the Shareholders of
Fidelity Insurance Company of Canada,
Toronto, Ontario.

We have examined the balance sheet of the Fidelity Insurance Company of Canada as at December 31, 1966 and the statements of profit and loss and earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles as applied by the general insurance industry on a basis consistent with that of the preceding year.

The accompanying supplementary information on page 2 has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all respects material in relation to the financial statements taken as a whole.

The following statements for the year ended December 31, 1966 are attached:

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Statement 1	-	Balance sheet
Statement 2	-	Earned surplus
Statement 3	-	Profit and loss
Statement 4	-	Gross premiums written and reinsurance ceded
	-	Net claims incurred
Statement 5	-	Net commissions expense
	-	Operating expenses
Statement 6	-	Summary of investments
Statement 7	-	Detailed investments
Statement 8	-	Changes in investments

We comment hereunder on the results of operations and on certain items appearing in the balance sheet:

OPERATIONS

The results for the year show a profit of \$312,333 as compared with a profit in the preceding year of \$152,817.

Statement 3 shows in summary form the various items of profit and loss for the years 1966 and 1965. Gross premiums written, reinsurance ceded and net claims incurred are shown in statement 4 and net commissions and operating expenses are shown in statement 5.

The following table shows the loss ratios by type of insurance for the years 1966 and 1965:

<u>Type of insurance</u>	<u>Net premiums earned</u>		<u>Net claims incurred</u>		<u>Loss ratio</u>	
	<u>1966</u>	<u>1965</u>	<u>1966</u>	<u>1965</u>	<u>1966</u>	<u>1965</u>
Property:						
Fire	\$ 70,735	\$ 69,917	\$ 31,446	\$ 39,488	44.7%	56.5%
Theft	63,350	58,142	43,609	13,618	69.0	23.4
Forgery	290	320	75		25.8	
Plate glass	8,228	8,427	6,043	4,912	73.3	58.3
Guarantee:						
Fidelity	50,227	61,331	13,324	(4,843)	26.5	(7.9)
Surety	212,291	153,091	(9,294)	(406)	(4.3)	
Liability:						
Public liability	275,676	220,631	130,062	131,603	47.3	59.6
Employers' liability	12,941	14,762	4,182	5,099	32.3	34.5
Personal accident and sickness	1,283	1,251	658	(1,032)	51.0	(82.5)
Automobile	<u>1,354,676</u>	<u>1,186,324</u>	<u>818,310</u>	<u>794,256</u>	61.7	66.9
Total	<u>\$2,049,697</u>	<u>\$1,774,196</u>	<u>\$1,038,415</u>	<u>\$982,695</u>	50.0	55.4

BALANCE SHEETInvestments \$3,640,831

Investments are shown in the balance sheet at cost. The Department of Insurance values for the investments at December 31, 1966 exceeded cost by \$308,714.

Details of the investments and the income therefrom during the year are shown in statement 7, a summary of which follows:

<u>Basis of valuation</u>	<u>Bonds</u>	<u>Stocks</u>	<u>Total</u>
Cost	\$1,999,229	\$1,641,602	\$3,640,831
Department of Insurance	1,976,845	1,972,700	3,949,545
Current market	1,977,021	1,957,225	3,934,246
Income for year	75,910	74,803	150,713

We examined the securities held at December 31, 1966 and received confirmation of those on deposit with the Department of Insurance and others.

Outstanding premiums receivable		
(less commissions of \$159,743)	\$741,742	
Less allowance for premiums written		
prior to October 1, 1966	94,180	\$647,562

Premiums receivable were confirmed in Toronto and Montreal on a test basis as at October 31, 1966 by the internal audit department of the United States Fidelity and Guaranty Company. We reviewed the results of the circularization and the transactions that occurred in the premiums receivable account from October 31, 1966 to December 31, 1966. Satisfactory explanations have been obtained for differences reported at the circularization date.

An allowance has been provided for uncollected premiums on business written prior to October 1, 1966. From our examination of the accounts and the explanations given us we are of the opinion that this allowance is sufficient to provide for possible losses on collection.

Due to United States Fidelity
and Guaranty Company \$147,749

The above amounts represent the net premiums due on account of reinsurance ceded and amounts due on reinsurance claims.

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Income and other taxes payable \$178,085

The above amount payable may be analysed as follows:

Income taxes	\$160,607
Premium taxes	<u>17,478</u>
	<u>\$178,085</u>

Federal income taxes have been assessed to December 31, 1965.

Provincial income taxes payable to Ontario and Quebec have been assessed to December 31, 1964.

Provision for claims \$905,622

This provision has been established for the claims and related expenses which were not settled at December 31, 1966.

Unearned premiums	\$982,486	
Guarantee reserve	46,747	
<u>Traffic victims</u>	<u>18,120</u>	<u>\$1,047,353</u>

The reserve for unearned premiums has been computed on the basis prescribed by the Department of Insurance which is 80% of the unexpired premiums calculated on a yearly basis.

The guarantee reserve for possible claims under fidelity and surety contracts has been provided at rates prescribed by the Department of Insurance. The rates (applied to net premiums in force) and the reserves provided as at December 31, 1966 are as follows:

	<u>Rate</u>	<u>Amount</u>
Fidelity insurance	30 %	\$27,505
Surety insurance	10 $\frac{1}{2}$ %	<u>19,242</u>
		<u>\$46,747</u>

Fidelity Insurance Company of Canada - 5 -

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Capital \$250,000

Your transfer agent, Canada Permanent Trust Company, has certified that at December 31, 1966 there were 2,500 shares issued and outstanding.

Yours faithfully,

Clarkson, Gordon & Co.

WGR:JP

FIDELITY INSURANCE
(Incorporated under Special

BALANCE SHEET

DECEMBER 31, 1966
(with comparative figures for 1965)

A S S E T S

	<u>1966</u>	<u>1965</u>
Cash	\$ 152,322	\$ 217,432
Investment in marketable securities, at cost:		
Bonds (Department of Insurance value \$1,976,845)	1,999,229	
Stocks (Department of Insurance value \$1,972,700)	<u>1,641,602</u>	3,640,831
		3,144,519
Accrued interest receivable	22,709	22,709
Outstanding premiums receivable (less commissions of \$159,743)	741,742	
Less allowance for premiums written prior to October 1, 1966	<u>94,180</u>	647,562
		586,517
Refundable tax	5,376	
Land - at cost	77,500	77,500

On behalf of the Board:

Director

Director

<u>\$4,546,300</u>	<u>\$4,048,677</u>
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SHEET

31, 1966
at December 31, 1965)

LIABILITIES

	<u>1966</u>	<u>1965</u>
Current liabilities:		
Accounts payable and accrued charges	\$ 36,631	\$ 39,372
Amounts due to agents	48,050	60,571
Due to United States Fidelity and Guaranty Company	147,749	108,593
Income and other taxes payable	<u>178,085</u>	<u>105,614</u>
	<u>410,515</u>	<u>314,150</u>
Provision for claims	<u>905,662</u>	<u>947,477</u>
Reserves calculated on bases prescribed by the Department of Insurance:		
Unearned premiums	982,486	862,542
Guarantee reserve	46,747	54,071
Traffic victims	<u>18,120</u>	
	<u>1,047,353</u>	<u>916,613</u>
Shareholders' equity:		
Capital -		
Authorized: 10,000 shares of \$100 each		
Issued: 2,500 shares	250,000	250,000
Premium on share capital	50,000	50,000
Contributed surplus	300,000	300,000
Earned surplus (statement 2)	<u>1,582,770</u>	<u>1,270,437</u>
	<u>2,182,770</u>	<u>1,870,437</u>
	<u>\$4,546,300</u>	<u>\$ 4,048,677</u>

FIDELITY INSURANCE COMPANY OF CANADASTATEMENT OF EARNED SURPLUSYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Balance, beginning of year	\$1,270,437	\$1,117,620
Profit for the year	<u>312,333</u>	<u>152,817</u>
Balance, end of year	<u>\$1,582,770</u>	<u>\$1,270,437</u>

FIDELITY INSURANCE COMPANY OF CANADASTATEMENT OF PROFIT AND LOSSYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Net premiums written (statement 4)	<u>\$2,199,627</u>	<u>\$1,948,580</u>
Increase (decrease) in reserves:		
Unearned premium reserve	119,944	139,508
Guarantee reserve	<u>(7,324)</u>	<u>4,001</u>
	<u>112,620</u>	<u>143,509</u>
Underwriting income earned	<u>2,087,007</u>	<u>1,805,071</u>
Deduct expenditures:		
Net claims incurred (statement 4)	1,038,415	982,695
Net adjustment expenses	44,510	40,654
Net commissions expense (statement 5)	250,627	294,123
Premium and other taxes	50,888	41,368
Operating expenses (statement 5)	<u>341,524</u>	<u>320,297</u>
	<u>1,725,964</u>	<u>1,679,137</u>
Underwriting profit before provision for doubtful accounts	361,043	125,934
Provision for doubtful accounts	<u>17,120</u>	<u>13,525</u>
Net underwriting profit	<u>343,923</u>	<u>112,409</u>
Add:		
Investment income and rentals earned	180,253	151,323
Profit (loss) on sale of investments	<u>(17,927)</u>	<u>(17,927)</u>
	<u>180,253</u>	<u>133,396</u>
Profit before income taxes	524,176	245,805
Income taxes	<u>211,843</u>	<u>92,988</u>
Profit for the year	<u>\$ 312,333</u>	<u>\$ 152,817</u>

FIDELITY INSURANCE COMPANY OF CANADAGROSS PREMIUMS WRITTEN AND REINSURANCE CEDEDYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Gross premiums written less rebates:		
Property	840,362. \$ 798,247	\$ 784,533
Guarantee	872,883. 872,883	955,616
Liability	317,029. 316,121	285,866
Personal accident and sickness	3,254 3,254	3,512
Automobile	1,595,712 1,595,712	1,320,275
	<u>3,627,241</u>	<u>3,349,802</u>
Less reinsurance ceded:		
Property	670,579. 647,555	630,576
Guarantee	620,272 620,309	721,425
Liability	22,893 22,893	8,973
Personal accident and sickness	1,867 1,868	1,955
Automobile	93,965 93,965	38,293
	<u>1,429,614</u>	<u>1,401,222</u>
Net premiums written	<u>\$2,199,627</u>	<u>\$1,948,580</u>

NET CLAIMS INCURREDYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Claims paid or provided for:		
Property	\$ 296,004	\$ 275,490
Guarantee	(22,314)	(57,280)
Liability	205,605	208,958
Personal accident and sickness	859	517
Automobile	842,256	937,626
	<u>1,322,410</u>	<u>1,365,311</u>
Less reinsurance recovered:		
Property	214,831	217,472
Guarantee	(26,344)	(52,031)
Liability	71,361	72,256
Personal accident and sickness	201	1,549
Automobile	23,946	143,370
	<u>283,995</u>	<u>382,616</u>
Net claims incurred	<u>\$1,038,415</u>	<u>\$ 982,695</u>

FIDELITY INSURANCE COMPANY OF CANADANET COMMISSIONS EXPENSEYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Commissions on direct business	\$490,274	\$537,473
Commissions on reinsurance assumed	25,497	25,276
Contingent profit commissions	(2,356)	28,655
	<u>513,415</u>	<u>591,404</u>
Less commissions on reinsurance ceded	<u>262,788</u>	<u>297,281</u>
Net commissions expense	<u>\$250,627</u>	<u>\$294,123</u>

OPERATING EXPENSESYEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year ended December 31, 1965)

	<u>1966</u>	<u>1965</u>
Salaries	\$182,149	\$172,507
Contributions to staff pension and insurance plans	8,601	5,235
Unemployment insurance	1,227	1,157
Directors' fees	4,366	3,787
Auditors' fees	4,700	3,000
Advertising	1,043	945
Bureau and association dues	30,735	19,038
Charitable donations	1,093	1,232
Legal fees	62	4,347
Surveys and underwriting reports	12,597	11,804
Office furniture and equipment purchases and repairs	10,351	10,104
Postage, telegrams, telephones and express	16,987	17,080
Printing and stationery	23,254	18,689
Rent	23,170	24,755
Travelling expenses	12,623	15,490
Employee relations and welfare	7,668	9,827
Duty	<u>898</u>	<u>1,300</u>
Total operating expenses	<u>\$341,524</u>	<u>\$320,297</u>

FIDELITY INSURANCE COMPANY

SUMMARY OF INVESTMENTS

DECEMBER 31, 1966

	<u>Percent</u>	<u>D i s t r i</u>
		<u>December 31, 1966</u>
		<u>Department of Insurance value</u>
Bonds:		
Government of Canada	21.3%	\$ 844,550
Government guaranteed	16.9	664,950
Provincial	4.9	195,150
Corporation	6.9	272,195
Total bonds	50.0	1,976,845
Stocks:		
Preferred	13.8	545,500
Common -		
Public utilities	4.3	171,300
Banks	4.9	194,200
Industrials and other	27.0	1,061,700
	36.2	1,427,200
Total stocks	50.0	1,972,700
	100.0%	\$3,949,545

BOND MATURITY SCHEDULE

DECEMBER 31, 1966

PAR VALUES

<u>Maturity</u>	<u>Government of Canada</u>	<u>Government guaranteed</u>
1967	\$ 25,000	\$ 35,000
1968-69	75,000	410,000
1970-76	175,000	70,000
1977 and subsequent	735,000	220,000
	<u>\$1,010,000</u>	<u>\$735,000</u>

F CANADA

S

tion of Invested Funds

December 31, 1965

<u>Cost</u>	<u>Percent</u>	<u>Department of Insurance value</u>	<u>Cost</u>
\$ 880,538	23.3%	\$ 863,000	\$ 880,538
653,378	18.1	669,870	653,378
191,068	5.3	194,300	191,068
<u>274,245</u>	<u>5.7</u>	<u>210,753</u>	<u>212,803</u>
<u>1,999,229</u>	<u>52.4</u>	<u>1,937,923</u>	<u>1,937,787</u>
 <u>574,131</u>	 <u>12.0</u>	 <u>442,500</u>	 <u>443,181</u>
 131,457	 3.4	 124,000	 65,035
151,616	5.8	215,300	151,616
784,398	26.4	979,150	546,900
<u>1,067,471</u>	<u>35.6</u>	<u>1,318,450</u>	<u>763,551</u>
<u>1,641,602</u>	<u>47.6</u>	<u>1,760,950</u>	<u>1,206,732</u>
<u>\$3,640,831</u>	<u>100.0%</u>	<u>\$3,698,873</u>	<u>\$3,144,519</u>

E

<u>Provincial</u>	<u>Corporation</u>	<u>Total</u>	<u>Percent</u>
	\$260,000	\$ 320,000	14.4%
\$200,000	15,000	700,000	31.5
5,000		250,000	11.2
		<u>955,000</u>	<u>42.9</u>
<u>\$205,000</u>	<u>\$275,000</u>	<u>\$2,225,000</u>	<u>100.0%</u>

FIDELITY INSURANCE COMPANY

DETAILED INVESTMENT

DECEMBER 31, 1966

<u>Description</u>	<u>Cost</u>	<u>De</u>
Total bonds - carried forward	\$1,999,229	\$
Total stocks - carried forward	<u>1,641,602</u>	
Total investments	<u>\$3,640,831</u>	\$
Add accrued interest at December 31, 1966		
Less accrued interest at December 31, 1965		
Add:		
Bank interest		
Other interest		
Rentals earned		

SUMMARY OF INVESTMENT

DECEMBER 31, 1966

Total investments at cost December 31, 1965

Purchases at cost

Less sales at cost plus proceeds from sale
of rights

Total investments at cost December 31, 1966

STATEMENT 7

OF CANADA

Amount of insurance value	Current market value	Received during year	Accrued at December 31, 1966
76,845	\$1,977,021	\$ 75,910	\$22,709
72,700	<u>1,957,225</u>	<u>74,803</u>	<u> </u>
49,545	<u>\$3,934,246</u>	150,713	<u>\$22,709</u>
		<u>22,709</u>	
		173,422	
		<u>22,709</u>	
		150,713	
		2,558	
		(18)	
		<u>27,000</u>	
		<u>\$180,253</u>	

\$3,144,519

644,558
3,789,077

148,246\$3,640,831

BONDS:

	<u>Description</u>		<u>Par value</u>
Government -			
Government of Canada	3 $\frac{3}{4}$ %	October 1, 1967	\$ 25,000
	2 $\frac{3}{4}$ %	June 15, 1968	50,000
	5%	October 1, 1968	25,000
	3 $\frac{1}{4}$ %	June 1, 1974-76	75,000
	5 $\frac{1}{2}$ %	October 1, 1975	100,000
	3 $\frac{3}{4}$ %	January 15, 1975-78	285,000
	3 $\frac{1}{4}$ %	October 1, 1979	450,000
Government Guaranteed -			
Canadian National Railway	2 7/8%	September 15, 1967-69	175,000
	5%	May 15, 1968	20,000
	4%	February 1, 1981	220,000
British Columbia Electric Co. Ltd. First Mortgage "A"	3 $\frac{1}{4}$ %	January 2, 1967	2,000
British Columbia Electric Co. Ltd. First Mortgage "B"	3 $\frac{1}{4}$ %	October 1, 1967	8,000
Hydro-Electric Power Commission of Ontario	4%	April 15, 1967-68	10,000
	2 $\frac{3}{4}$ %	April 1, 1967	25,000
	3%	November 1, 1969	60,000
	3%	January 15, 1968	145,000
	2 $\frac{3}{4}$ %	June 1, 1971	50,000
Shawinigan Water & Power Company 1st Mortgage & Collateral Trust Sinking Fund Series "J"	3 $\frac{1}{2}$ %	February 1, 1970	20,000
Provincial -			
Province of Ontario	4%	January 1, 1967-68	100,000
	2 $\frac{3}{4}$ %	November 15, 1969	100,000
Province of Quebec	3 $\frac{1}{4}$ %	July 1, 1970-73	5,000
Corporation -			
Canada Permanent Mortgage	5%	February 1, 1967	50,000
Industrial Acceptance Corp. Ltd.	4%	April 1, 1969	15,000
Finance Company note -			
Commercial Credit International	6 $\frac{1}{2}$ %	January 13, 1967	150,000
Deposit Receipt -			
Royal Bank of Canada	5 1/8%	May 11, 1967	60,000
			<u>\$2,225,000</u>

ESTIMENTS

, 1966

Cost	Department of Insurance value		Current market value		Received during year	Accrued at December 31, 1965
	Price	Amount	Price	Amount		
24,312	99.00	\$ 24,750	98.85	\$ 24,712	\$ 937	\$ 233
44,125	96.00	48,000	96.60	48,300	1,375	61
25,000	99.00	24,750	99.25	24,812	1,250	311
68,038	82.00	61,500	82.00	61,500	2,437	200
97,750	98.00	98,000	98.25	98,250	5,500	1,370
235,625	83.00	236,550	83.00	236,550	10,687	4,948
385,688	78.00	351,000	77.75	349,875	14,625	3,642
158,813	93.00	162,750	93.20	163,100	5,031	1,474
19,712	99.00	19,800	98.95	19,790	1,000	126
186,825	82.00	180,400	82.00	180,400	8,800	3,660
1,965	100.00	2,000	99.95	1,999	65	33
7,845	100.00	8,000	97.50	7,800	260	65
9,912	98.00	9,800	97.25	9,725	400	84
24,406	100.00	25,000	99.00	24,750	688	171
48,000	93.00	55,800	92.75	55,650	1,800	295
136,925	96.00	139,200	97.00	140,650	4,350	2,014
40,625	88.00	44,000	88.50	44,250	1,375	113
18,350	91.00	18,200	91.375	18,275	700	291
96,230	98.00	98,000	97.50	97,500	4,000	2,000
89,875	93.00	93,000	92.00	92,000	2,750	347
4,963	83.00	4,150	82.50	4,125	163	81
50,000	98.00	49,000	99.625	49,813	2,500	1,040
15,000	93.00	13,950	93.00	13,950	600	150
149,245	Cost	149,245	Cost	149,245	4,617	
60,000	Cost	60,000	Cost	60,000		
<u>1,999,229</u>		<u>\$1,976,845</u>		<u>\$1,977,021</u>	<u>\$75,910</u>	<u>\$22,709</u>

	<u>Description</u>	<u>Number of shares</u>
STOCKS:		
Preferred -		
	Alberta Gas Trunk Line Co. Ltd. $4\frac{3}{4}\%$ cumulative redeemable "C"	500
	Alcan Limited $4\frac{1}{4}\%$ cumulative redeemable convertible	1,500
	Bathurst Paper Ltd. Class "A" \$2.50 cumulative	1,000
	Canada Safeway Ltd. - 4.40% cumulative redeemable	1,000
	Canadian Breweries Ltd. Series "A" \$2.20 convertible cumulative	600
	Canadian Cannery Ltd. Class "A"	1,000
	Dominion Foundries & Steel Ltd. $4\frac{3}{4}\%$ cumulative "A"	500
	Dominion Glass Company Ltd. 7% cumulative	1,000
	Loblaws Companies Ltd. \$2.40 cumulative redeemable 1st Series	300
	Molson's Brewery Limited Class "A"	600
	Power Corporation of Canada Ltd. $4\frac{3}{4}\%$ cum. red. 1st 1965	500
	Shell Investments Limited $5\frac{1}{2}\%$ cumulative red. 1st convertible	2,000
	Silverwood Dairies \$0.60 cumulative Class "A"	1,000
	Trans-Canada Pipe Lines Limited \$2.80 cumulative redeemable	1,500
	George Weston Limited $4\frac{1}{2}\%$ cumulative redeemable	200
Banks - Common -		
	Banque Canadienne Nationale	100
	Canadian Imperial Bank of Commerce	600
	Bank of Montreal	500
	Bank of Nova Scotia	500
	Banque Provinciale du Canada	100
	Royal Bank of Canada	500
	Toronto-Dominion Bank	1,000
Industrial and other - Common -		
	Abitibi Paper Company Limited	2,000
	Alcan Limited	1,000
	Canada Malting Company Limited	400
	Canada Permanent Mortgage Corporation	1,000
	Canadian Breweries Limited	1,500
	Cominco Limited	1,000
	Consolidated Paper Corporation Limited	1,000
	Distillers Corporation-Seagrams Limited	1,000
	Dominion Foundries & Steel Limited	4,000
	Dominion Glass Company Limited	1,000
	Dominion Stores Limited	1,000
	Famous Players Canadian Corporation Ltd.	500
	Great Lakes Paper Company Limited	3,000
	Hiram-Walker Gooderham & Worts Limited	1,000
	Imperial Oil Limited	1,500

Forward -

ESTIMENTS1, 1966

<u>Cost</u>	<u>Department of Insurance value</u>		<u>Current market value</u>		<u>Received during year</u>
	<u>Price</u>	<u>Amount</u>	<u>Price</u>	<u>Amount</u>	
\$ 49,994	90.00	\$ 45,000	82.125	\$ 41,062	\$ 2,375
61,187	37.00	55,500	37.125	55,687	1,700
56,336	57.00	57,000	54.50	54,500	2,500
98,784	90.00	90,000	89.00	89,000	4,400
31,784	35.00	21,000	35.125	21,075	1,320
11,701	12.00	12,000	12.00	12,000	750
50,082	91.00	45,500	86.00	43,000	2,375
14,000	15.00	15,000	14.00	14,000	700
11,690	42.00	12,600	39.00	11,700	720
8,050	18.00	10,800	18.875	11,325	363
23,750	40.00	20,000	39.375	19,687	1,187
54,262	26.00	52,000	26.25	52,500	1,100
14,579	15.00	15,000	14.50	14,500	600
68,525	51.00	76,500	45.75	68,625	1,283
19,405	88.00	17,600	86.00	17,200	787
7,032	53.00	5,300	50.00	5,000	255
24,330	58.00	34,800	58.00	34,800	1,470
21,634	54.00	27,000	52.75	26,375	1,187
30,945	64.00	32,000	63.00	31,500	1,350
5,090	41.00	4,100	38.50	3,850	175
26,957	68.00	34,000	69.00	34,500	1,500
35,627	57.00	57,000	57.00	57,000	2,400
17,527	11.00	22,000	9.875	19,750	1,008
15,384	30.00	30,000	30.125	30,125	994
5,890	18.00	7,200	17.75	7,100	400
10,158	10.00	10,000	10.00	10,000	510
8,635	7.00	10,500	7.125	10,687	600
33,627	32.00	32,000	30.75	30,750	1,800
41,548	37.00	37,000	38.00	38,000	2,100
25,115	31.00	31,000	33.125	33,125	1,000
25,966	21.00	84,000	18.25	73,000	2,400
3,755	14.00	14,000	12.125	12,125	600
18,068	18.00	18,000	18.00	18,000	720
13,065	27.00	13,500	33.25	16,625	518
53,335	22.00	66,000	22.25	66,750	2,750
16,050	28.00	28,000	28.75	28,750	1,300
78,203	54.00	81,000	57.375	86,063	2,325

<u>Description</u>	<u>Forward -</u>	<u>Number of shares</u>
STOCKS:		
Industrial and other - Common (continued) -		
International Nickel Company of Canada Limited		1,000
MacMillan Bloedel & Powell River Limited		2,000
Maple Leaf Mills Limited		1,500
Massey Ferguson Limited		500
Molson's Brewery Limited Class "B"		1,000
Moore Corporation Limited		500
Noranda Mines Limited		1,000
Ogilvie Flour Mills Company Limited		1,000
Southam Press Limited		1,000
Steel Company of Canada Limited		4,000
Supertest Petroleum Corporation Limited		500
Public Utilities - Common -		
Alberta Gas Trunk Line Company Limited Class "A"		300
Bell Telephone Company of Canada		2,000
Consumers' Gas Company of Toronto		5,000
Transportation - Common -		
Canadian Pacific Railway Company		1,000
Interprovincial Pipe Line Company		1,000
Trans Mountain Oil Pipe Line Company		1,000

MENTS1966

<u>Cost</u>	<u>Department of Insurance value</u>		<u>Current market value</u>		<u>Received during year</u>
	<u>Price</u>	<u>Amount</u>	<u>Price</u>	<u>Amount</u>	
46,111	88.00	88,000	94.75	94,750	3,007
48,013	26.00	52,000	23.25	46,500	2,000
12,070	17.00	25,500	16.50	24,750	1,125
5,791	24.00	12,000	22.625	11,313	500
15,240	18.00	18,000	19.00	19,000	505
39,553	82.00	41,000	86.50	43,250	547
27,006	48.00	48,000	49.25	49,250	1,850
15,000	13.00	13,000	13.00	13,000	400
14,350	31.00	31,000	33.00	33,000	1,200
44,537	22.00	88,000	20.00	80,000	3,400
10,203	20.00	10,000	19.375	9,688	175
8,880	31.00	9,300	30.375	9,113	360
91,005	46.00	92,000	46.375	92,750	2,350
31,572	14.00	70,000	15.25	76,250	1,904
50,783	53.00	53,000	54.50	54,500	1,870
71,305	81.00	81,000	84.00	84,000	3,175
18,113	17.00	17,000	16.375	16,375	913
<u>\$1,641,602</u>		<u>\$1,972,700</u>		<u>\$1,957,225</u>	<u>\$74,803</u>

FIDELITY INSURANCE COMPANY OF CANADASTATEMENT OF CHANGES IN INVESTMENTSYEAR ENDED DECEMBER 31, 1966PURCHASES

<u>Description</u>	<u>Par value or number of shares</u>	<u>Cost</u>
Deposit receipt -		
Royal Bank of Canada	\$ 60,000	\$ 60,000
Short term note -		
Commercial Credit International Ltd.		
Serial note, variable interest, redeemable		
January 13, 1967 and every 30 days		
thereafter	150,000	149,244
Stocks - preferred:		
Alcan Limited 4 $\frac{1}{4}$ % cumulative redeemable		
convertible	500	18,400
Shell Investments Limited 5 $\frac{1}{2}$ % cumulative		
redeemable first convertible	1,000	26,025
Silverwood Dairies 60¢ cumulative Class "A"	500	8,650
Trans-Canada Pipe Lines Limited \$2.80		
cumulative redeemable	1,500	68,525
George Weston Limited 4 $\frac{1}{2}$ % cumulative redeemable	100	9,350
Stocks - common:		
Abitibi Paper Company Limited	400	4,950
Bell Telephone Company of Canada	1,000	45,715
Canadian Pacific Railway Company	700	41,940
Consumers' Gas Company of Toronto	1,400	20,707
Famous Players Canadian Corporation Ltd.	300	8,280
Great Lakes Paper Company Limited	500	13,675
Imperial Oil Limited	500	27,200
Interprovincial Pipe Line Company	500	41,638
Macmillan Bloedel & Powell River Limited	1,000	27,603
Molson's Brewery Limited Class "B"	400	13,340
Moore Corporation Limited	300	24,563
Ogilvie Flour Mills Company Limited	1,000	15,000
Supertest Petroleum Corporation Limited	300	6,653
Trans Mountain Oil Pipe Line Company	750	13,100
		<u>\$644,558</u>

FIDELITY INSURANCE COMPANY OF CANADASTATEMENT OF CHANGES IN INVESTMENTSYEAR ENDED DECEMBER 31, 1966SALES

<u>Description</u>	<u>Par value or number of shares</u>	<u>Cost</u>	<u>Selling price</u>
Short term note - Commercial Credit International 5 7/8% March 21, 1966	\$150,000	\$147,803	\$150,000
Stocks - common - Massey-Ferguson Limited	500 rights	<u>443</u>	<u>443</u>
		<u>\$148,246</u>	<u>\$150,443</u>

Notes:

1. The proceeds from the disposal of rights were credited to the cost of the related investment.
2. During the year the shares of Molson's Breweries, Class "A" (Preferred) and Class "B" (Common), were split 2 for 1.

LINEN RECORD

100% FAS-CANADA

